

## Title: Capital Assets and Depreciation Policy

Effective Date: 1/21/13

Authorized By: Library Board of Trustees

Date of Last Revision: 12/20/21

Capital assets are assets owned by the public library with a useful life extending beyond a year. Capital assets shall be recorded in the Capital Assets Ledger in the year the asset was acquired.

Items with an original value of five thousand ~~one~~ dollars (\$5,000) and above shall become part of the capital assets ledger. Computer equipment and copiers are excluded from the fixed asset ledger per Indiana State Board of Accounts because of their short life span.

### Estimated Useful Life of Assets

The library Board has established the number of years over which the cost of an asset will be allocated.

Category	Useful Life	Threshold
Land	not depreciated	n/a
Infrastructure	20 yrs	\$5,000
Buildings	40 yrs	\$ 5,000
Improvements other than building	20 yrs	\$ 5,000
Machinery, Vehicles, Furniture and Equipment	3-5 yrs	\$ 5,000
Books and Media items	5 yrs	\$ 5,000

### Depreciation of a Asset

Depreciation of an Asset shall be the allocated cost of an asset over the estimated useful life of the asset. The library shall use the Straight line depreciation method. Which looks like the following.

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- Annual Depreciation = Historical Cost/Estimated Useful Life.
- Accumulated Depreciation = Annual Depreciation x Years in Service.

This policy is made to meet the requirements of the State Board of Accounts. Additional requirements may affect the terms of this policy. State Board of Accounts requirements will always supersede library policy.